

## **RULES AND PUBLIC POLICY COMMITTEE**

**DATE:** May 26, 2009

**CALLED TO ORDER:** 5:33 p.m.

**ADJOURNED:** 7:27 p.m.

### **ATTENDANCE**

#### ATTENDING MEMBERS

Robert Lutz, Chairman  
Monroe Gray  
Barbara Malone  
Angela Mansfield  
Marilyn Pfisterer  
Lincoln Plowman

#### ABSENT MEMBERS

Bob Cockrum  
Joanne Sanders

### **AGENDA**

PROPOSAL NO. 203, 2009 - amends Chapter 151 of the Revised Code to add a new council rule with respect to procedures for reviewing tax rates, levies and budgets of certain taxing units

"Do Pass As Amended"

Vote: 6-0

FISCAL IMPACT STATEMENT OF COLLECTIVE BARGAINING AGREEMENT FOR MARION COUNTY SHERIFF – Doug King, Marion County Sheriff's Department

"Accepted"

Vote: 4-1-1

FISCAL IMPACT STATEMENT OF COLLECTIVE BARGAINING AGREEMENT FOR FIRE DEPARTMENT EMERGENCY MANAGEMENT – Chief Brian Sanford,

Indianapolis Fire Department, and Valerie Washington and Mark Renner, Department of Public Safety

"Postponed" until June 16, 2009

Vote: 5-1

## **RULES AND PUBLIC POLICY COMMITTEE**

The Rules and Public Policy Committee of the City-County Council met on Tuesday, May 26, 2009. Chairman Robert Lutz called the meeting to order at 5:33 p.m. with the following members present: Monroe Gray, Barbara Malone, Angela Mansfield, Marilyn Pfisterer and Lincoln Plowman. Bob Cockrum and Joanne Sanders were absent. Chief Financial Officer James Steele and General Counsel Robert G. Elrod represented Council staff.

Chairman Lutz asked all committee members to introduce themselves and indicate which area of the county they represent. Councillor Pfisterer invited the public to attend a Job Fair tomorrow at Lakeview Church at 47 Beechway Drive from 10:00 a.m. to 2:00 p.m.

PROPOSAL NO. 203, 2009 - amends Chapter 151 of the Revised Code to add a new council rule with respect to procedures for reviewing tax rates, levies and budgets of certain taxing units

Mr. Elrod said that this proposal is a result of conversation with the Council's chief financial officer (CFO) and the City Controller. Due to new state legislation, the Council is now obligated to review the budgets of other governmental entities within Marion County. He said that subsection (b) of the proposal covers the first group of cities, towns and others, which were reviewed at the last committee meeting. This applies to 2010 budgets, which will be reviewed during the fall budget cycle, and simply sets time limits and the process by which these budgets are to be reviewed. He said that for the budgets the Council does not have the authority to fix, they would require filing 15 days before the scheduled adoption of the budget for the year. These budgets would be submitted to the Council CFO, who would then make recommendations according to statute and refer those recommendations to committee. General Counsel would prepare a resolution for action by the committee, which would then go to the Council for approval at its next meeting. These proposals would be handled under priority business like some of the economic development bond proposals, which sometimes go to committee before they are introduced and are acted on the same night they are introduced under priority business. He said that they can handle these budgets in this way because they do not really adopt the budgets, but simply make recommendations, and the Council action is not binding. Mr. Elrod added that subsection (c) deals with a second class of entities where there is a non-elected board that passes their budget, and the Council's approval is binding. Last year, the only entity that fit into that class was the Ben Davis Conservancy District. He said that these entities would submit their budgets 14 days prior to the public hearing on the regular budget, and the budgets will be introduced at the Council meeting where the public hearing takes place and then

follow the normal adoption process, proceeding to committee and then back to the Council for a final vote, along with the other budget items. He said that, obviously, if the Legislature changes guidelines in their next session, some of these dates and requirements might need to change.

Chairman Lutz asked if Mr. Elrod is contemplating a calendar for these entities. Mr. Elrod said that if the proposal passes, a calendar could then be set for hearings, along with the regular budget calendar. Chairman Lutz asked if the budgets would already be adopted by their local boards before reaching the Council. Mr. Elrod said that those entities covered in subsection (c) would have to have passed their budgets before submitting, but the theory on those in subsection (b) is that they do not actually adopt their budgets until after the Council makes recommendations. These entities would have to pass their budgets before the end of September, and if they get them submitted to the Council earlier, they could handle them earlier and process them out. He said that this proposed schedule is designed so that the Council would not have to set up special meetings to accommodate review of all these budgets, but could instead do it within their regular meeting schedule.

Councillor Pfisterer asked even if the Council makes a recommendation and the entity ignores it, if the budgets are still subject to approval by the Department of Local Government Finance (DLGF). Mr. Elrod said that all local budgets are subject to the DLGF's approval. Councillor Pfisterer asked how much detail the Council committees will receive and if there will be accompanying information as to whether the county as a whole is coming in under the property tax caps. Mr. Elrod said that the entities are required to submit their budgets and proposed levies, and they will have to have some assessed value estimates. They will know the levies and budgets, but will not know the actual rates to include at that time. Mr. Steele said that he will do a spreadsheet to show how all of these proposed rates relate to the assessed valuation they are using generally for the county. Councillor Pfisterer said that she believes the concern has been all along that with schools, excluded cities and conservancy districts, that the county as a whole still come in under those property tax caps. Mr. Elrod said that schools are excluded from this process and not subject to this review. He said that this review only covers townships and excluded and included cities. Without the schools included, the city can simply compare with prior years and estimate what they think these budgets will do to the tax rate. Mr. Steele said that they plan to look at the proposed budgets, levies and assessed values to try and achieve consistency on the assessed values that the county is using and make sure the county stays within the maximum levy. This is an attempt to get a picture of what the tax rate will look like in each area, but without the schools involved in the mix, this is hard to do. He said that he believes the intent of the legislation was to look at the big picture of the entire county and gauge the impact of circuit breakers, but without review of the schools' budgets included, this will be difficult to do. Chairman Lutz said that this seems to create chaos, paying different taxes, which when combined, must fall within the one percent circuit breaker, yet there is no one entity insuring that all taxes combined fall within this one

percent. Mr. Steele agreed and said that he does not believe it is the system the Legislature had anticipated when they changed these regulations.

Councillor Mansfield said that since the Council's review is simply a recommendation, these entities do not have to abide by them. Chairman Lutz agreed and said that this is the problem facing the county, because each entity will say they are under the one percent cap, but then when all those taxes are combined, they may not be under one percent, and then it becomes a question of who gets cut.

Councillor Gray asked why this responsibility of review has been dumped on the Council, if they have no binding purpose. Mr. Steele said that there used to be county tax adjustment boards that performed this function. Those boards have been eliminated, and so the Legislature wanted some entity to look at the whole picture. However, without the schools' portion, it is very difficult to do. Councillor Gray said that the process still seems to bring no clear understanding. Mr. Steele said that they will have some knowledge, as the county froze tax levies a few years ago, and they can estimate what the schools' budgets and rates may look like. Councillor Gray asked if this will simply be a guess. Mr. Steele answered in the affirmative. Mr. Elrod added that there seems to have been an oversight in writing this legislation. He said that the original legislation created a new review board, but then the legislature backed that board out of the bill and left this review to the county councils; and somewhere during discussions and amendments, the schools got exempted.

Councillor Pfisterer asked if this is all a result of House Enrolled Act (HEA) 1001, 2007. Mr. Elrod said that this is correct. Councillor Pfisterer said that she has had some conversation with City Controller David Reynolds about how this will all come together, and she understands that he has initiated a liaison position with all taxing bodies, including schools, so that there is some coordination between everyone; so hopefully, everyone can be on the same page.

Councillor Pfisterer moved to correct the word "council" to read "counsel" in subsection (c) (2). Councillor Plowman seconded the motion, and Proposal No. 203, 2009 was amended by a vote of 6-0.

Councillor Gray moved, seconded by Councillor Malone, to send Proposal No. 203, 2009 to the full Council with a "Do Pass As Amended" recommendation. The motion carried by a vote of 6-0.

FISCAL IMPACT STATEMENT OF COLLECTIVE BARGAINING AGREEMENT FOR MARION COUNTY SHERIFF – Doug King, Marion County Sheriff's Department; Louis Dezelan, director of administration MCSD

Doug King, Chief Financial Officer (CFO) for the Marion County Sheriff's Department (MCSD) introduced Louis Dezelan, director of administration for MCSD. He said that they are in attendance this evening to ask the committee to accept the fiscal impact

statement (Exhibit A) as required by statute. He said that this statement was prepared by himself and Jeff Seidenstein, Fiscal Analyst with the Office of Finance and Management (OFM). He said that the fiscal impact statement is a result of the contract agreement for deputies signed in 2007, which covers through 2010. He said that the original contract was for deputies, but did not include the building and civil deputies. This fiscal impact shows the result of including those individuals into the contract and includes raises of three percent this year and next year, with a fiscal impact of \$300,000 this year and a cumulative \$378,000 for 2010.

Chairman Lutz asked if these dollars have already been budgeted. Mr. Dezelan answered in the affirmative. Councillor Gray asked if there is no new money needed. Mr. King said that this is correct, and the amount was budgeted and included for these individuals, even though they were not included in the contract.

Councillor Mansfield asked why these positions were not included in the original contract. Mr. Dezelan said that the negotiations took place in 2006, before he held his current position, and he does not know why they were not included, as court line and jail deputies were included. He said that they completed negotiations the first of the year to correct this oversight, which included bringing their salaries closer to those of the jail deputies.

Chairman Lutz asked if the contract provided to committee members is simply an amendment or is the entire contract. Mr. Dezelan said that they sent the entire contract, which includes some minor amendments regarding posting of positions; but the only language changed was a result of these building and civil deputies being added. He said that it is not really a new contract, but simply has some new information about salaries and raises for civil and building deputies and includes them under the protection of the contract, which was not the case before. Chairman Lutz asked if these changes have been ratified by the membership. Mr. Dezelan said that they have, and the amended contract has been signed by both parties. Councillor Gray asked if these individuals are now a part of the Fraternal Order of Police (FOP) and can bid for any job that comes available. Mr. Dezelan responded in the affirmative. Councillor Gray explained that this is a simple clean-up of the prior contract.

Chairman Lutz stated that he would have imagined if the contract was simply changed to include some positions left out, they would have done it through an amendment and not a new contract. Mr. Dezelan said that they have simply re-written the contract to include civil and building deputies, but it is the same contract. Chairman Lutz asked if the only change then was article eight on the top of page six, which was not a part of the prior contract. Mr. King said that this is correct, and is the only new provision that was not a part of the former contract.

Councillor Malone asked when the effective date is for this agreement. Mr. Dezelan said that the amended contract will provide back pay for these deputies, effective January 1, 2009. Councillor Malone asked if the effective date of the contract was

January 2007. Mr. Dezelan said that this is correct, but this amended contract has an effective date of January 2009. Councillor Malone said that it seems this should have been an amendment to the contract, as opposed to re-issuing a new contract. Mr. Dezelan said that article 8.4 simply adds these positions in with a new effective date. Councillor Malone said that she is not comfortable with the way this language is drafted.

Councillor Mansfield said that the actual contract or agreement is not before the committee for approval and is outside of their responsibility. She said that lawyers for both parties negotiated the contract and the language, and the committee is simply charged with accepting the fiscal impact statement. Councillor Malone stated that anything that comes before the committee lies within the Council's purview to look at, and she cannot support the impact statement, because it is based on a document where the language is not clean enough, in her opinion.

Mr. Elrod said that the process the committee is acting under is governed by an ordinance adopted several years ago. This ordinance required that once a tentative agreement was signed between negotiating parties, the controller would prepare a fiscal impact statement based on that tentative agreement. This impact statement is then required to be delivered to the Rules and Public Policy Committee for review. The Rules Committee is then required to issue a report on that statement. Traditionally, that report is to find the impact statement acceptable and proceed forward, or to suggest some things for further review. The committee has 45 days to decide what kind of report to issue, and after that, the tentative agreement can be approved by the mayor and bargaining unit. He said that there has been some question as to whether those steps are out of order, as in this case, an agreement was already signed without a fiscal impact statement being submitted. He said that it is his opinion that the contract is not legally in effect until the fiscal impact statement is approved by this body.

Mr. Dezelan said that the original contract was negotiated in 2007 and was for the years 2007 through 2010. He said that the only part questionable is a new provision with a new effective date of January 2009 being added into that original agreement. All other wording in that contract has been in effect since 2007. Chairman Lutz asked if the contract was then re-opened for negotiation in March. Mr. Dezelan said that it was opened earlier than that, and an agreement was reached in March. Chairman Lutz said that it would have probably been better as an addendum since there are separate effective dates, but he will leave that to those negotiating and drafting that contract to know that what they have created is legal.

Councillor Malone said that it seems any action by this committee is superfluous if they have already signed the agreement with the supposition that the committee will simply pass it without objection. She said that she feels this action is out of order. Chairman Lutz stated that Councillor Malone has a valid point and the ratification process is probably out of order, but the rules still require that the committee act on the fiscal impact statement one way or the other.

Councillor Gray said that the committee can always send the statement back and ask the entities to do the amendment correctly. He said that the original contract did come before the Council in a timely manner, and this is simply an amendment. He said that the money needed has not changed and was already approved in the budget process. Chairman Lutz said that the money for 2009 was budgeted, but extra money will still be needed in the 2010 budget, which has not yet been set. Mr. Dezelan said that these are planned increases and they expected to spend this money during the original negotiations. He said that 2010's budget has not yet been set, but the cost has been anticipated.

Chairman Lutz asked Mr. Steele for his thoughts on this process. Mr. Steele said that he has reviewed the fiscal impact statement, and the costs associated with the contract seem reasonable to him.

Councillor Plowman asked for consent to abstain from voting on this matter to avoid the appearance of a conflict of interest. Consent was given.

Chairman Lutz called for public testimony, of which none was forthcoming.

Councillor Gray stated that all entities should be reminded of the importance of consequence and the process of doing things. He said in order to get budgets passed, all city and county agencies need to follow the order and process set out in Code. He urged all parties to work on getting these impact studies in on time. Mr. Dezelan agreed and said that they will strive to do so in the future.

Councillor Mansfield asked for an explanation of the process and what is required of the committee at this point. Chairman Lutz read a prepared report (Exhibit B) and said that the committee must determine whether the fiscal impact statement is acceptable or unacceptable.

Councillor Malone asked if the other 33 deputies covered in this contract are already above the base pay noted for these newly covered deputies. Mr. Dezelan said that this is correct, and those deputies are in positions which were rated at a higher level already, and no additional pay raises are included for those positions. Councillor Malone asked if the 2010 budget, however, will be affected by a three percent raise. Mr. Dezelan said that this increase is considered in the fiscal impact for 2010, as well. Councillor Malone said that she still does not think the contract and statement are clear.

Councillor Pfisterer said that she believes the numbers are clear for 2009, but there are still some concerns about whether the funding for an increase in 2010 would be available. She said that she would be happier with some level of assurance that if this is approved, the money will be there to honor the contract in 2010. Mr. King said that they are aware of the monies needed to meet contract obligations in 2010, and he is certain in working with the Controller's Office that these monies will be approved.

Chairman Lutz said that the OFM conclusion on the fiscal impact statement (Exhibit A) only concludes that MCSD has sufficient 2009 appropriations to allow the additional costs of the contract. Jason Dudich, Deputy Controller, OFM, stated that these dollars were already a part of MCSD's 2009 approved budget, and they have been instructed that these increase costs will be a part of 2010's budget. He said that OFM has asked that MCSD keep within the guidelines set forth, and they will work hard with them to include this funding. If they cannot fit it into their budget as per guidelines, they will submit it for consideration as additional funding. Chairman Lutz asked if the increases do not fit within the guidelines, if MCSD may have to cut in other areas to make it fit. Mr. Dudich said that this is correct, and if they cannot make it fit within their base guideline recommendations, it will be viewed as an enterprise-wide impact to weigh against revenues available in 2010 and other above-the-guideline requests from other departments and agencies.

Mr. Steele said that some bargaining contracts include a non-funding clause, and asked if this contract has such a clause. Mr. Elrod said that he does not readily see one. Councillor Gray said that this clause is in the Fire Department's contract, but not the Police and Sheriff's contracts.

Councillor Gray asked if these monies cannot be included in the 2010 budget, if it will result in a reduction in pay or laying people off. Mr. Dudich said that they will work with MCSD to find funding within their budget or take other actions, but cannot say exactly what options they will have. Mr. Dezelan said that if those additional monies are not found, these deputies would simply not get pay increases, but funding for current salary levels is included in the base budget. However, they will work with OFM to secure an increase for these positions. He said that there would not be any possibility of lay-offs, just the possibility of no pay increase.

Councillor Mansfield asked the reason for Councillor Plowman's abstention, as she believed he worked for Indianapolis Metropolitan Police Department (IMPD) and not MCSD. Councillor Plowman said that he does work for IMPD, and although he does not legally have an obligation to disclose his conflict, he has litigation pending against MCSD and does not feel it is appropriate for him to vote on this matter. Chairman Lutz said that whenever a Councillor asks for permission to abstain from a vote, he assumes they have a personal conflict and he is comfortable giving consent. Councillor Mansfield said that in light of new ethics rules being passed, she did not readily see a conflict.

Mr. Elrod said that he has quickly reviewed the contract again, and there is a provision in article 8, section 8.02 on page five to re-open negotiation on the agreement if a budget is not approved. Therefore, the non-funding clause is included.

Councillor Malone said that she feels the amendment is setting a hierarchy about who will be preferred if there are insufficient funds, and the newly added deputies might have to take a pay cut, while other deputies receive an increase. Chairman Lutz said that he



does not think they can give any of the deputies an increase unless they all receive it. He said he believes if increases are not available, they would have to re-negotiate. Mr. Dezelan said that he is confident they will find the funds for this increase, but if they do not, it will not result in any reduction in pay, because funding levels will at least be the same as 2009. He said that there might not be raises; but there will be no pay cuts, and he is confident they can work out the increases, as per the agreement.

Councillor Pfisterer said that she wants to clarify for the public that no one on this committee is trying to deny building or civil deputies raises, but they are just trying to figure out the whole picture of the city budget and if this increase fits.

Councillor Malone referred to section 8.4 and asked if this language accomplishes raising all building and civil deputies to a certain salary amount and then provides for an additional 3% increase. Mr. Dezelan said that civil deputies were already at the approved base salary level, but this insures that building deputies making below that base salary are raised to that level, and then provides the 3% increase to both civil and building deputies.

Councillor Mansfield moved, seconded by Councillor Pfisterer, to accept the fiscal impact statement for the bargaining agreement between MCSD and the Indiana FOP Labor Council. The motion carried by a vote of 4-1-1, with Councillor Malone casting the negative vote and Councillor Plowman abstaining.

FISCAL IMPACT STATEMENT OF COLLECTIVE BARGAINING AGREEMENT FOR FIRE DEPARTMENT EMERGENCY MANAGEMENT – Chief Brian Sanford, Indianapolis Fire Department (IFD); and Valerie Washington, CFO, Department of Public Safety (DPS); Emergency Management Services (EMS) Division Chief Scott Isaacs, IFD

Chairman Lutz referred to the Fiscal Impact Statement (Exhibit C) and stated that he believes this is the first contract he has ever seen that included revenue sharing bonuses. Emergency Management Services (EMS) Division Chief Scott Isaacs stated that this was included as an incentive plan for employees to help the division raise revenues

Chairman Lutz asked who has the authority to raise rates. Chief Sanford said that by ordinance, the fire chief has the authority to raise rates. Chairman Lutz asked if this incentive is based on net revenue. Chief Sanford said that it is based on billable, net collections. Chairman Lutz asked if costs exceed revenues. Chief Sanford said that costs are not factored in, and revenue sharing is based on what is collected versus what is billed. Chief Isaacs added that the amount collected is greatly impacted by timeliness of bills, and they have a higher success rate in collecting if they have the correct information and can bill in a timely fashion, since there are other health care providers involved, and usually those who bill first collect the easiest.

Chairman Lutz asked about the signing bonus included in the contract. Chief Sanford said that Washington Township EMS workers were working since January 2007 without a contract due to consolidation, and in July 2007, Warren Township workers came in under the labor agreement, with Warren civilian workers under a partial contract or no contract at all. There were supposed to be negotiations in 2008, but no contract was put in place, and this signing bonus will go back and take care of this issue.

Councillor Mansfield said that she appreciates providing incentives to employees, but gathering correct information seems to be part of the job to begin with, and if they are not doing it, providing bonuses for doing it seems to be rewarding them for nothing. She asked if they are not doing it because of a lack of training. She said that this type of incentive seems troubling to her. Chairman Lutz said that he tends to agree, and said that if officers were given a bonus for arrests, he believes arrests would increase, even though arresting people is part of the routine duties.

Chief Sanford said that he does not want to give the impression that the employees are not doing their job. He said that collection percentage is 80%, which is very high compared to other cities; and the incentive bonus probably will not come into effect, because they already have high percentages, and revenue collection probably will not exceed the parameters set forth. Chief Isaacs added that the employees would have to work at a level well above excellence, and revenues would have to increase substantially before this sharing would come into play.

Councillor Gray asked who does the billing. Chief Sanford said that a company called MedBill handles the billing. Councillor Gray asked if MedBill is paid on a percentage basis. Chief Sanford said that this percentage bonus being discussed is for EMS employees and not MedBill employees. MedBill is compensated on a percentage basis of revenues billed and collected, but this incentive is for employees and does not apply to MedBill employees. Councillor Gray stated that employees already receive a regular salary, and asked if this bonus is simply an incentive for them to do a better job. Chief Sanford said that it is an attempt to increase revenues, and if personnel takes steps to increase billing, then they should share in those revenues. Councillor Gray asked if the city receive a discount on their salaries if employees do not increase the billing. Chief Sanford responded in the negative.

Chairman Lutz asked if there is a dollar amount they would have to exceed to share in revenues. Chief Sanford said that the base budgeted revenue is set up on an 80% collection rate. If that budgeted revenue is exceeded, employees would share in the revenues. Chairman Lutz said that the contract does not seem to read that way to him. Chief Isaacs referred to article 8, section 7, where the revenue sharing is laid out. Valerie Washington, CFO, Department of Public Safety (DPS), said that revenue is estimated at \$3.4 million for ambulance fees. The intent of this incentive is that anything collected above that estimated revenue would be eligible for revenue sharing. This \$3.4 million was thought to be the maximum the city could collect, and therefore, anything above that would be a bonus to the city in revenues because it would be more

than anticipated, and employees could then share in that bonus since they helped to make it happen. Chairman Lutz asked what the cost of ambulance service is. Ms. Washington said that she would have to look at payroll, medication and supplies to sit down and figure out that cost. Chairman Lutz said that it seems a cost analysis should be done, because until they know the cost of the service, setting a revenue standard does not make sense. Ms. Washington said that salaries and fringes are budgeted at \$2.9 million, and that does not include capital assets and supplies. Chairman Lutz asked how the service can run on \$3.4 million, if they are paying \$2.9 million in salaries. Ms. Washington stated that the \$3.4 million is not the total funding, but just what is estimated for ambulance service revenue. Chairman Lutz said that he would feel better if the contract was worded so that anything over the cost of operation would be eligible for revenue sharing. Ms. Washington said that she understands Chairman Lutz's concern, even though she does not necessarily agree. She added that any revenue received above that 80% budgeted would be revenue they did not expect to receive.

Councillor Plowman said that it seems even if they collected at 100%, this would not pay for expenses. Chief Isaacs stated that if they collected at 100%, it would definitely cover expenses. He said that the division is billing over \$6 million a year, and even with write-offs for Medicare and Medicaid, they still collect well above national averages. He said that his rough estimate would be that operations would be approximately \$400,000 more than the \$2.9 million in salaries. Councillor Plowman asked if this contract expires in 2011. Chief Isaacs responded in the affirmative. Councillor Plowman said that he believes revenue sharing is not a bad idea necessarily and he would like to see how it makes a difference and would be okay with it going forward for a couple of years.

Mr. Steele said that he supports incentives for employees to reduce costs and provide better service, but he does not really see how this is a real incentive to do that. He said that if they are only collecting \$3.4 million on \$6 million billed, the collection agency could find a new technology or make efficiencies to up the collection to 90%, and this increase would not be related to anything the employees have done differently. He said that he applauds an incentive system, but he feels it needs to be tied to what the employees are doing and it does not make a lot of sense to him as written.

Ms. Washington stated that the EMS workers are the ones who go on the runs and collect this information and provide it to the collection agency. A collection agency cannot collect without good data, and most of it is data that the collection agency could not get on their own. The incentive is provided for EMS workers on the scene to get additional data from family members. Mr. Steele said if a collection agency is presented with a lack of information, they will still try to get the information by other means. Chief Isaacs said that the issue really is with timing. He said that the quicker the data is available to the collection agency, the more likely they are to collect, because typically, the first to bill has a higher rate of collection. Mr. Steele asked if all invoices go through MedBill. Chief Isaacs responded in the affirmative. He said that MedBill is paid a percentage based on what is collectible, excluding Medicare and other contractual agreements, which have maximum amounts.

Councillor Pfisterer stated that public safety has not really had a business model like this before. She said that about 80% of IFD runs are medical, and it seems fires are diminishing and medical runs are increasing. She said that with a firefighter taking the fifth run of the night on their third night of duty, this incentive might give them an extra amount of focus or awareness to get clear data. She said that it is also an additional revenue stream for the city and seems to be a win-win situation. She said that the program does not hurt, but helps the city's revenues, and also rewards an individual to give more effective service and go above and beyond regular duties. She said that she thinks this effort and this business model is commendable.

Councillor Malone said that this only benefits EMS personnel, and not other employees of the fire department. She said that she feels it is discriminatory and sets a dangerous precedent. She added that she has real concerns and a hesitancy as to whether or not it is even legal. She said that she is not an expert in healthcare law, but is not satisfied that this type of revenue sharing is legal when dealing with entities like Medicare, Medicaid and private insurers. She said that she is very uncomfortable approving this portion of the contract. Chairman Lutz said that this brings up another issue as to whether these revenues first are adjusted for Medicare-allowed billing. Mr. Elrod said that he believes Medicaid calculates rates backward and Medicare is adjusted based on several different factors. Chief Isaacs said that Medicare and Medicaid only pay so much for ambulance runs and have set amounts. A normal run would be billed at \$562, and Medicare will only pay \$304. He said that their division's rate is based on a percentage of what Medicare allows, and they have factored this into the equation.

Chairman Lutz asked how much revenue has been collected to date in 2009. Ms. Washington stated that to date, approximately \$1.1 million has been collected.

Councillor Pfisterer said that they are not talking about changing rates and are simply helping to collect more of what is already billed.

Councilor Mansfield said that she understands the goal to be increasing the collection rate, but that is not the way the contract reads. She said that the division could have greater revenues for other reasons that do not relate to individual employees' actions. She said that she is uncomfortable with this bonus and how it affects the fiscal impact.

Mr. Steele asked if one group of employees were under contract in 2008, and another set did not have a contract, yet a ratification bonus was paid to all employees. He asked if those under contract in 2008 are still earning the same salary. Chief Sanford said that those covered by a contract remained covered in 2008 due to a clause that kept 2007 terms in effect until a new contract was negotiated. Mr. Steele asked if these individuals, therefore, did not receive anything extra under the new agreement. Chief Sanford stated that this is correct. Mr. Steele asked if the new 2009 base salary includes the ratification bonus or if this was a one time payment. Chief Sanford said that it was a one-time payment. Mr. Steele asked if their 2009 salary would then be a

3% increase over 2007's salary. Chief Sanford said that there was no 3% increase in 2009. Chief Isaacs said that some individuals were working at a lower rate, but doing the same job, and there were some increases to insure parity. Mr. Steele asked if the employees not covered by a contract would then get a higher increase. Chief Isaacs said that they will get a significantly higher rate, because they were hired in at probationary rates in late 2006, with no increase since.

Mr. Steele said that he likes the idea of revenue sharing, but does not like the way it is written in the contract. Chairman Lutz said that he is not sure the language defines who this revenue sharing will go to, and whether it will go to all members, all Emergency Medical Technicians (EMTs), paramedics and line EMTs. Chief Sanford said that this portion only applies to civilian line EMTs and paramedics. Chairman Lutz said that the definition of members applies to all paramedics and EMTs, and not just line EMTs. Councillor Gray added that all firefighters have to be certified as EMTs. Chairman Lutz asked if this revenue sharing then includes all members of IFD. Chief Isaacs said that this only includes members of the EMS division of the fire district, as this contract only applies to civilian EMTs. Councillor Gray said that this does not seem to work well for morale when firefighters are working alongside EMTs and doing the same job, yet one receives an incentive and the other does not. Chief Sanford said that IFD firefighters are covered by a separate labor agreement, and this provision is only included in this particular agreement for civilian EMTs.

Chairman Lutz asked if there has been any thought put into the Perry Township consolidation. Chief Sanford said that if the Perry Township consolidation occurs, the Rural Metro contract will remain in place through the end of 2010. At the time of consolidation, they have the option of presenting a different system, but Rural Metro would remain in place until that can be discussed.

Chairman Lutz asked if this agreement only covers civilian EMTs. Ms. Washington said that in article 3, it clarifies the group to which this contract applies. Chairman Lutz asked how firefighter EMTs feel about this bonus incentive. Chief Sanford said that firefighters and civilian EMTs are not doing the same job. Civilian EMTs are involved in civilian transport and gathering information. He said that firefighters get bonuses for auto extrication and for achieving EMT certifications, and their pay is already higher than civilian EMTs.

Councillor Plowman stated that it is his experience that if firefighters are not happy, they will negotiate a better deal the next time around. He said that he feels revenue sharing is not a bad idea, and if it does not work out, it is only in place for a couple of years and they can re-address it. He said that City Legal has signed off on the contract, so he is comfortable that they have researched the legalities of this language. Samantha Karn, Office of Corporation Counsel, stated that they have indeed thoroughly researched all of this contract, and she is very confident that it is not an illegal agreement.

Chairman Lutz asked if this contract has already been ratified. Chief Isaacs said that the contract has been voted on by union membership, but has not yet been signed by the mayor. Chairman Lutz asked if that union membership includes firefighters. Chief Isaacs said that by union membership, he means those members of the EMS division. They are represented by the same union as firefighters, but only the EMS division members have ratified this contract.

Mr. Elrod asked if the expiration date of the firefighters' contract is the same as this contract. Chief Sanders said that it is difficult to marry those contracts together, and this expires in 2010 and is only for those two ambulance divisions that IFD's EMS division operates.

Councillor Malone asked what is budgeted for collections by MedBill. Chief Sanford said that they receive 5.1% of what they collect. Councillor Malone asked if this is received after they have gone through an audit of what is actually collected. Chief Sanford replied in the affirmative. Councillor Malone asked if they receive anything additional. Chief Sanford responded in the negative.

Jeff Seidenstein, OFM, stated that the Fiscal Impact Statement (Exhibit C) does not include an OFM conclusion, but that the conclusion is that this contract can be absorbed within the EMS Division's 2009 budget; however, as most Councillors know, they are still working on the 27<sup>th</sup> pay issue. Councillor Gray asked how close they are to solving the 27<sup>th</sup> pay issue. Mr. Seidenstein said that they may have some issues with the 27<sup>th</sup> pay this year, but should not have any problems in 2010.

Chairman Lutz called for public testimony, of which none was forthcoming.

Councillor Gray asked for Mr. Steele's final analysis and recommendation. Mr. Steele said that the fiscal impact statement itself appears accurately prepared, but he still has some concerns regarding revenue sharing and believes it should be more closely tied to an incentive plan that is measurable. He said that language should be changed to somehow allocate or distribute this revenue sharing based on who provides an improvement in services. He said that he supports incentive plans, but this seems arbitrary and revenues could easily increase due to no effort by employees.

Chairman Lutz asked if Mr. Steele could suggest a modification. Mr. Steele said that he would have to be more familiar with the process to make a recommendation. Chairman Lutz asked if the committee would be more comfortable postponing any recommendation and taking the item up again for discussion at the next meeting, as most members just received this contract late Friday afternoon. Mr. Steele said that the committee has 45 days to respond, and union members have already ratified the contract. Usually, the committee reviews before a contract is ratified so that input can be given for the negotiation process, but even if the committee suggests a language change, it might be too late. Chairman Lutz asked when the 45 days starts. Mr. Elrod said that it starts as of the date of public hearing, which would be today. Chairman Lutz

said that the next meeting, scheduled for June 16, 2009, gives the committee time to review the issue more thoroughly. He said that he applauds new and innovative ways to bring efficiency and increased revenue, but he would like more time to take in the ramifications of the contract.

Chief Isaacs said that this matter may not seem time-sensitive to the committee, but this contract is very important for employees who have worked for two and a half years without a contract. He said that they were given a new way to negotiate within the money allocated for the budget, and they feel the revenue sharing bonus is innovative. He said that in the EMS system, it is difficult to measure the work of the employees as a whole, because response times are different with too many variables. He said that they thought long and hard about what amount of revenue would be above and beyond expectations. He said that Wishard Ambulance Services only collects 40% of what they bill, and the EMS division already doubles that standard. This revenue sharing bonus is a way for employees to take pride in their job and do their job well, and he does not believe there is another way to measure their performance and incentivize these employees. He said that they would never consider raising their rates to make this happen, even though revenue increase usually goes hand in hand with a rate increase. He said that this is based on the current billing rate, and he does not think MedBill would be able to impact the revenue collections like the EMTs can, as they are already working to collect all they can.

Chairman Lutz thanked Chiefs Isaac and Sanders for their presentation and thoughts. He said that he understands how it seems time-sensitive to the EMS workers, but not having received the information until late Friday evening on a holiday weekend, it does not give committee members sufficient time to really understand the full impact.

Councillor Malone said that she does not have any problems with accepting the report if section 7 is removed. Chairman Lutz said that he is not sure the section needs to be removed altogether, but would like more time to review. He said that committee members have some valid concerns. While this is very innovative, and he likes that factor; he is not sure the incentive is the result of the motivating factor, and he would like more time to review.

Councillor Plowman asked Mr. Elrod what options the committee has. Mr. Elrod said that they can either approve or reject the impact statement, causing the contract to either go into effect or not go into effect, or they can wait up to 45 days to make a decision. He said that the committee is within their rights to postpone the proposal should they so wish.

Councillor Gray stated that it is not unusual that these statements are not accepted on the first night they are received. Mr. Elrod agreed, and said that historically, reports on these type of statements have been closer to the 45-day limit.

Councillor Gray moved, seconded by Councillor Malone, to "Postpone" reporting on the fiscal impact statement of the collective bargaining agreement for IFD EMS Division until June 16, 2009. The motion carried by a vote of 5-1, with Councillor Plowman casting the negative vote.

There being no further business, and upon motion duly made, the meeting was adjourned at 7:27 p.m.

Respectfully Submitted,

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Robert Lutz, Chairman

RL/ag



**FISCAL IMPACT STATEMENT  
OF THE COLLECTIVE BARGAINING AGREEMENT  
Between the**

**MARION COUNTY SHERIFF  
And**

**THE INDIANA F.O.P. LABOR COUNCIL, INC.  
On Behalf of Marion County, Indiana Deputy Sheriffs**

**Prepared by Jeff Seidenstein, OFM, and Doug King, MCSD  
May 11, 2009**

**CONTRACT SUMMARY**

This agreement replaces a previously-negotiated contract that was signed in November, 2007 and which covered the years 2008 through 2010. The only significant change to the contract from the original version is the inclusion of Building Deputies and Civil Deputies in the scope of the contract. (Previously, those deputies were excluded.) This contract covers the four year period 2007 through 2010, but the only *additional* fiscal impact is related to increases in the base pay, along with 3% annual increases for the Building and Civil Deputies, effective January 1, 2009.

**4 YEAR CONTRACT – 2007 THROUGH 2010**

WAGES –Approximately 52 of 88 deputies currently earn less than \$25,367 per year; they will receive a base pay increase, effective 1/1/09, ranging from \$2,189 to \$4,379, to bring them up to \$25,367. In addition to the base pay adjustments, all 88 Building and Civil Deputies will also receive a 3% pay increase in 2009 and 3% in 2010.

This contract contains the same provisions as the 2007 contract as it relates to the Sheriff's deputies assigned to duties in the jail and courtrooms. That contract ran through 2010, and provided 4% pay increases in 2009 and 3% increases in 2010 for all Sheriff's deputies assigned to duties in the jail and courtrooms.

Below are estimated annual and cumulative costs resulting from giving base pay and annual adjustments for the 88 Building and Civil deputies only; these estimates include the associated retirement and social security benefits that are impacted when salaries are increased:

**4 YEAR CONTRACT – 2007 THROUGH 2010**

(Cost to add Building and Civil Deputies to the existing contract, compared to 2008 costs.)

	2007	2008	2009	2010
		base adjustments	+3%	3% increase
<b>ANNUAL TOTAL MCSD</b>	-	-	300,208	378,682
<b>CUMULATIVE GRAND TOTAL</b>		-		678,890

***Office of Finance and Management conclusion:***

**It is anticipated that the Marion County Sheriff's Department will have sufficient 2009 appropriations to allow the additional costs required by the proposed labor contract to be absorbed.**

# COMMITTEE ON RULES AND PUBLIC POLICY

## COMMITTEE REPORT on FISCAL IMPACT STUDY of

### TENTATIVE COLLECTIVE BARGAINING AGREEMENT

between the

MARION COUNTY SHERIFF and THE INDIANA F.O. P. LABOR COUNCIL, INC.

**THE TENTATIVE AGREEMENT:** On March 25, 2009, the Marion County Sheriff and the Indiana F.O.P. Labor Council, Inc. approved a tentative collective bargaining agreement for certain employees of the Marion County, Indiana Deputy Sheriffs, a copy of which has been provided to the committee.

**THE FISCAL IMPACT STUDY:** The Controller prepared a Fiscal Impact Study as required by Sec. 291-610 of the Revised Code of the Consolidated City and County. A copy of that study dated, May 11, 2009, is attached as Exhibit A to this report.

**THE PUBLIC HEARING:** The Committee on Rules and Public Policy held a public hearing on the Fiscal Impact Study on Tuesday, May 26, 2009, as required by said Sec. 291-610.

**THE COMMITTEE REPORT:** After public hearing and consideration of the Fiscal Impact Study, the Committee accepts the Fiscal Impact Study as presented by the controller as accurate, and:

\_\_\_ determines the fiscal impact of the tentative agreement is acceptable and recommends finalizing the collective bargaining agreement as stated in the Fiscal Impact Study;

[OR]

\_\_\_ determines the fiscal impact of the tentative agreement is unacceptable and recommends that the tentative agreement not be finalized unless modified in the following respects:

[insert committee reservations about the tentative agreement]

**ACTION:** The adoption of this report was moved by Councillor \_\_\_\_\_, seconded by Councillor \_\_\_\_\_. The motion was passed by a vote of \_\_\_\_\_ ayes and \_\_\_\_\_ nays on the 26th day of May, 2009.

\_\_\_\_\_  
Chairperson

**FISCAL IMPACT STATEMENT  
OF THE COLLECTIVE BARGAINING AGREEMENT**

**Between the City of Indianapolis  
and  
Indianapolis Metropolitan Professional Firefighters Association Local 416**

**On Behalf of the Emergency Medical Services Division of the Indianapolis Fire Department**

**Prepared by the Office of Finance and Management - May 22, 2009**

**CONTRACT SUMMARY**

**This is the first labor agreement covering Emergency Medical Technicians, (EMT) and Paramedics employed by the Emergency Medical Services (EMS) of IFD. Prior to the consolidation of the former Warren Township Fire Department into IFD, there was a labor agreement covering that township's EMS workers. The Warren contract expired 12/31/08. The EMS workers hired by IFD to serve the former Washington Township Fire Department have never been covered by a labor agreement. This proposed contract covers all of the EMS workers employed by IFD, serving both Warren and Washington townships.**

**This contract covers the period January 1, 2009 through December 31, 2011.**

Below are estimated annual and cumulative costs resulting from this contract:

**3 YEAR CONTRACT – 2009 THROUGH 2011  
(Cost related to the existing contract, compared to 2008 costs.)**

	2009	2010	2011	3 YEAR TOTAL
1st year increases including special pays	343,115	343,115	343,115	1,029,344
2nd year changes (adds 2% wages + deferred comp.)		141,290	141,290	282,580
3rd year changes (adds 3% wages + higher deferred comp contribution.)			178,370	178,370
<b>TOTALS</b>	<b>343,113</b>	<b>484,005</b>	<b>662,775</b>	<b>1,490,294</b>

**Highlights of the fiscal components of the contract are shown below.**

WAGES – There are approximately 69 EMTs, Paramedics and Paramedic Educators covered by this agreement. Under the agreement, some workers will see a reduction of their base pay in 2009, compared to 2008. However, any reductions are offset by increases in other compensation

and benefits. Wages will increase in 2010 by an average of 2% over 2009, and wages will increase in 2011 by an average of 3% over 2010.

**LONGEVITY INCREASES** – This contract provides for longevity pay increases, payable on December 31 each year, as follows:

A Member who has completed 5-7 years of continuous employment - \$350  
A Member who has completed 8-10 years of continuous employment - \$450  
A Member who has completed 11-13 years of continuous employment - \$550  
A Member who has completed 14-16 years of continuous employment - \$650  
A Member who has completed 17+ years of continuous employment - \$750

**HAZMAT BONUS**

No later than July 31 of each year, each Member regularly assigned to a Hazmat Station who has completed a Hazardous Technician course approved by the Chief will receive a lump sum bonus of \$150.

**TACTICAL BONUS**

No later than July 31 of each year, each Member regularly assigned to a Tactical Station who is a qualified Member of the Tactical Rescue Team will receive a lump sum bonus of \$150.

**PARAMEDIC BONUS**

No later than July 31 of each year, each Paramedic will receive a lump sum bonus of \$750.

**COMMISARY FUND** (Food allowance)

The Department will pay all Members a commissary fund contribution (food allowance) of \$389 per year.

**PAYMENT FOR HOUSEWORK**

After July 1 of each year of this contract, for each station that receives a satisfactory rating for the normal housework and maintenance for which the personnel are responsible on IFD inspection form 300-2, an allotment of \$75 for each assigned position at that station shall be placed in an account for the house captain to make approved purchases of the furniture and appliances. Such monies will be available for use starting January 1 of the following year. Monies under this provision shall not be carried over from year to year.

**REVENUE SHARING**

Starting in 2009, the City will share with members a portion of ambulance fee revenues that exceed the 2009 budgeted revenues from ambulance fees. This revenue sharing arrangement will continue in future years, with slight adjustments to the method of calculation. This provision benefits both the City and the Members, as there is now an incentive for Member to earn additional revenues from ambulance fees. No estimate is available of the increased revenue that could be achieved by the City, but it is expected to be more than is currently received.

**DEFERRED COMPENSATION.** The City agrees to allow Members the option of continuing to participate in the deferred compensation plan through American United Life (AUL) or to contribute to the International Association of Firefighters (IAFF) sponsored plan.

Beginning in 2010, the City will contribute twenty-five cents (\$.25) for each dollar (a 1:4 match) that the Member contributes to their 457(b) account up to the following maximum City contribution:

2010 -- \$10.00 per pay

2011 -- \$20.00 per pay

CLOTHING ALLOWANCE Except for probationary Members, Members shall receive a clothing allowance of Four hundred (\$400) dollars due before July 1 of each year.

RATIFICATION BONUS

Upon final approval of this contract, each non-probationary Member will receive a one-time, lump sum bonus of \$1240.

**COMMITTEE ON RULES AND PUBLIC POLICY**

**COMMITTEE REPORT**

**on**

**FISCAL IMPACT STUDY**

**of**

**TENTATIVE COLLECTIVE BARGAINING AGREEMENT**

**between the**

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**ACTION:** The adoption of this report was moved by Councillor Mansfield, seconded by Councillor Pfisterer. The motion was passed by a vote of 4 ayes and 1 nay, with one abstention, on the 26th day of May, 2009.

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Chairperson

**FISCAL IMPACT STATEMENT  
OF THE COLLECTIVE BARGAINING AGREEMENT  
Between the**

**MARION COUNTY SHERIFF**

And

**THE INDIANA F.O.P. LABOR COUNCIL, INC.  
On Behalf of Marion County, Indiana Deputy Sheriffs**

**Prepared by Jeff Seidenstein, OFM, and Doug King, MCSD  
May 11, 2009**

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***Office of Finance and Management conclusion:***

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